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# Industrial Horizons



Vol. 3—No. 5.

May, 1958

News Publication — Montana State Planning Board

## Sunburst Oil Refinery To Continue Operations

Word has been received from Mayor Rolland White of Sunburst that the Texas Company oil refinery, scheduled to be closed and dismantled in October, will remain in operation.

However, White reports, the refinery will operate on a reduced level, with only a third of the former 110 employees remaining in Sunburst. The other two-thirds will be transferred to the new Texas refinery at Anacortes, Washington.

### Citizens Organized

The citizens of Sunburst, under the leadership of Mayor White, have been concerned about loss of their main source of employment ever since they learned Texas had plans to move about a year ago. A citizen's group met with the State Planning Board June 6, 1957, and decided to ask Texas Company officials to help them find a new use for the refinery (see INDUSTRIAL HORIZONS, June, 1957). Community-wide meetings followed in December, 1957, and February of 1958. W. G. Copeland, General Manager of the Texas Company's refining Department in New York City, and manager of the Sunburst operations from 1943 to 1948, worked with the citizens to investigate several possibilities.

### Decision Welcomed

White remarked, "We welcome Texas' decision not to dismantle its Sunburst plant. Loss of the refinery would have a serious effect on the town's tax structure. I definitely feel the cooperative effort be-

## Libby, Important Lumber Center, Is Planning For Future Growth

The little town of Libby in the northwestern corner of Montana is on the threshold of tremendous growth, and its citizens know it.

In fact, Libby is Montana's best example of a town attempting to anticipate economic growth—in order to minimize confusion and mistakes.

Libby is the home of Montana's largest lumber producer, J. Neils Lumber Company, with an employment of over 1,000. The Libby mill, besides being large, is also one of the country's most modern, and has a pole treating plant, box plant, stud mill, and briquettes plant, as well as a dimension lumber mill. The mill cuts about 120 million board feet a year, and provides relatively stable employment.

### Expansion in Wood Industry

Last year J. Neils was absorbed into St. Regis Paper Company, one of the country's largest wood products companies. St. Regis now is investigating the Libby-Troy area as a site for a possible pulp and paper mill. The area is a logical location for a pulp mill, since the present sawmill gives a good supply of chips, and the northwestern corner of the state has a huge timber supply, almost all of it on sustained yield.

tween Texas officials and the citizens of Sunburst was a factor in keeping the refinery open."

Texas officials have not announced definite operating plans for the Sunburst plant.

### Libby Dam

In addition, Libby citizens can count on some growth if Libby Dam is built. The dam, a major flood control and power development on the Kootenai River, is now in negotiations stage with Canada. If the dam is built, the area can expect the same type of construction boom as the Flathead experienced a few years ago when Hungry Horse Dam was built, and as Thompson Falls is now experiencing from Noxon Dam. Some permanent growth may result, too, if industry moves in to take advantage of the power generated there.

Some Libby people expect the town to double or triple in population in the next few years, from the present 3,000 to 6,000 or 9,000.

What are the people doing to anticipate this growth?

They have set up a City-County Planning Board to coordinate plans for the future. This Board is starting a master plan of the Libby urbanized area for the next 10 years. The first thing the board did was to fix the jurisdictional boundaries of the plan, as required in Section 30 of the 1957 law.

### Starting Base Map

As is the case in most small Montana communities, Libby has no one map with all platted streets on it. The first step in any planning program is preparing such a base map. Libby's planning board now is working with the city engineer and county surveyor to get a base map of the Libby planning area (about five miles from the center of town in each direction.)

The City Council and Board of County Commissioners in Libby plan next year to levy the  $\frac{1}{2}$ -mill for planning authorized by the 1957 law. This will yield about \$800 next year, enough to get a start on the master plan. Later, the board hopes to have a zoning ordinance for the area within the jurisdiction of the plan.

Not all Montana cities will grow as quickly as Libby is going to in the years ahead.

But each town in Montana should estimate what its population will be in ten years, how many new houses will have to be built for the new people in town, and where the new houses can best be built to make the most efficient and attractive city possible.

Libby's City Council and County Commissioners are on the right track when they set up an official Planning Board to advise them on what Libby is to look like in 1965.



View of the J. Neils Lumber Company mill at Libby, with the beautiful Cabinet Mountains in the background. Another large employer in the Libby area is the Zonolite Company, which mines and processes vermiculite for national distribution.

# DR. KLEMME'S STUDY OF SUCCESSFUL DEVELOPMENT IN HUGO, OKLAHOMA

**Ed. Note:** We here reprint part of the banquet speech given by Dr. Randall T. Klemme, at the Second Montana Community Development Conference held in Butte, January 23-24, 1958. Dr. Klemme is Director of Research and Development for Northern Natural Gas Company, and was formerly Director of the Oklahoma Department of Commerce and Industry. Hugo, Oklahoma, is a town of 3,500, and has somewhat the same development problems as many Montana towns.

Dr. Klemme's speech and six others presented at the conference are being reprinted in full in current issues of "Montana Business Review," published by the Bureau of Business and Economic Research at Montana State University. Copies are available free. In addition, complete proceedings of all speeches and discussions at the Conference are being prepared by the Bureau.

## I want to tell you the story of Hugo, Oklahoma.

In 1945, Oklahoma A. & M. College made a study of Hugo's trade area in Choctaw County. The greatest single source of income was old age assistance and relief checks to the unemployed and dependent children. Relief income exceeded agricultural income by 50 per cent. The per capita income was one of the lowest of any of the counties in the state. It was a dirty, dingy, "down at the heels" community. When we made this study I would have bet my bottom dollar that this was one study that would go on the shelf and nothing would happen. But I was wrong, very wrong.

### Build Trade Area

When we made this study we recommended that the first step that they would have to make was to improve their trade area. We made this study in 1946 and it did lay on the shelf for nearly a year and I was sure nothing was going to happen. But the recommendations were going through a process of gestation. Finally one man in that community caught fire.

I think it is very significant that the man who caught fire was the banker. I have found among Oklahoma communities that the community in which the banker is ready to go. If the banker is not ready to lead, you are not going very far. This banker caught fire.

Hugo was located in the Dallas, Texas, milkshed and this banker, who, incidentally, was born and raised up around Owatonna, Minnesota, and who had migrated to Oklahoma, said, "Why don't we bring in some registered dairy heifers and see if we can't establish some Grade A dairies." And so they did.

They sent trucks up to Wisconsin and Minnesota to bring back good dairy heifers and which were placed in the care of 4H Club youngsters. This created so much interest that they actually, in a moment of great enthusiasm, flew some dairy heifers in from California. This was undoubtedly the Texas influence, as they are located on the border of Texas and Oklahoma. The bankers, having decided that this was a good program, started making loans to farmers to build Grade A milk parlors and to buy registered cows. Today, you will find many Grade A dairies in a county that had very, very few good cattle before 1945.

### "Let's Can Vegetables"

Then somebody said, "We can grow good vegetables down here. Why don't we build a packing shed and grow tomatoes?" There were those people in Hugo that said it wouldn't work—and it

nearly didn't—but it did! They grew those tomatoes, but they found that the Rio Grande Valley tomatoes beat them to the early market. About the time Hugo tomatoes would reach the fresh market the prices would break. So this banker said, "Why don't we build a packing house? Why don't we can these vegetables?"

And, believe it or not, they created an industrial development corporation and built a vegetable packing house. It nearly failed, but it didn't. They induced a packing company to come in and they started canning vegetables. They get a penny a case royalty from the canned vegetables. This income is retiring the cost of the plant.

About this time a traveling circus came through Hugo at the close of the season. They liked the community, and they decided to make it their winter headquarters. Other circuses liked the area and they, too, set up winter headquarters. Somebody got the idea of making it a "Winter Wonderland." Today, from all parts of Arkansas, Oklahoma and Texas, people come and visit this circus in winter quarters. This brought tourists to the town and tourists spent dollars.

We have a saying in the South, "A Yankee tourist is worth two bales of cotton, and is twice as easy to pick." And so in Hugo a tourist industry developed.

### Be Receptive to Visitors

About four years ago, a couple of men drove into Hugo on their way to Texas. They stopped to have lunch. After lunch they strolled across the street to a J. C. Penney store. In the window there was a display of work gloves. They went into the store, introduced themselves, and asked the manager why he was featuring that particular brand of gloves. He replied that these were the best gloves he carried.

They told him then they represented the company that made the gloves. They were on their way to Texas to look for a site for a new plant. The manager, who was a good Chamber of Commerce member said, "Why go any further? Here is where you should locate." He took them down to the Chamber of Commerce office.

Within four months the Wells-Lamont firm agreed to locate a glove factory in Hugo. This glove factory was built by the people of Hugo. Workers donated their time, journeymen were paid their usual rates, but "kicked back" 25% of their salary. People gathered down by the railroad sidings in the evening to unload steel and block, etc. A building that is worth \$200,000 was built for about

\$90,000. I was there during the time; they held pie suppers, rodeos, and everything, but they built this building.

Wells-Lamont today is employing 300 people, about 225 of them are women and 75 men. Now if that were all the story, I would stop. But folks, in the last five years seven small new industries have come into that community. The new industrial payroll created in the last five years exceed welfare payments and agriculture combined. The merchants of Hugo are in good shape. They have built new churches. They built a new Masonic Lodge. Hugo is a new community today. The young people are not leaving Hugo, they are staying in Hugo—a community of 3,500 that caught fire.

### "Start With Where You Are"

It took vision, it took a willingness to risk, it took money, and it took time. It took a lot of hard work, but it can be done—it can be done. But you have to start from where you are. You start building on what you have, and you go from there. There is a teamwork, for when the Wells-Lamont plant was built, farmers and businessmen alike worked on the plant. In that plant today farm women and urban women work together.

It can be done, but it takes sacrifice, it takes time, it takes perseverance, it takes determination. You in Montana are not different than we were. You have communities that will move ahead. You start by building a better community and improving what you have. In so doing, you learn how to build yourself better, and make yourself more attractive. This in turn will bring the desired development.

Don't worry about big industry. General Motors will probably locate its own plants, and so will Western Electric. But the Wells-Lamont plant and the Carthage Box Company, the popcorn plant, these are the ones that you can bring in.

Oh yes, one other thing about Hugo, there were some industries there. There had to be to support the community. The industries that were there are now growing, too. The lumber mill added a creosoting plant, and makes creosoted posts. The feed mill has expanded, and added a new grain elevator because there was more feed requirement in the area. This made four new jobs. Because farm wives can now get income, the farmers are not leaving. The small farms are becoming stabilized in the area. As men are drawn into the industrial establishments and away from stores and filling stations, farmers in the area are coming into town and filling these jobs.

The level of income of the people of Hugo in the last five years has doubled.

That's what can happen if you have courage, vision, a plan, and a dream and are willing to work everlasting to make dreams a reality.

Value of timber cut in Montana's national forests in calendar 1957 was \$3,200,832, according to the Regional Forester's office in Missoula. Total timber cut was 387,175 million board feet. About 3/4 of Montana's timber land is in national forests.

# Sugar Beets—Montana's Largest Agricultural Processing Industry, Worth \$17 Million

The first phase of the annual cycle of one of Montana's major agricultural industries has now been completed, according to the Agricultural Marketing Service in Helena.

All of the state's 1958 sugar beet crop, an estimated 56,000 acres, has been seeded. Harvesting will begin in late fall, after the first frost, and refining the beets into sugar will take place at the state's four sugar factories from October, 1958, to January, 1959.

Total value of the sugar industry to Montana has been estimated at \$17 million, of which farmers received \$10,549,000 from a production of 894,000 tons in 1957. The other \$7 million represents value added by manufacture in the processing stage. About 85 per cent of Montana sugar is sold outside the state.

Refineries are operating at Billings (Great Western), Hardin (Holly), Sidney (Holly) and Missoula (American Crystal). Another factory, Utah and Idaho's at Chinook, was closed in 1952 and now lies idle. The Billings factory is one of the country's largest, producing an estimated 1,250,000 hundred pound bags per year.

The sugar factories are among the largest employers in Montana. Each use a peak of over 100 men during the 90-day slicing season. In addition, they provide valuable supplemental income to men who otherwise would be seasonally unemployed. This is especially true in

the Missoula, Sidney and Hardin farm areas.

Competition between foreign and domestic sources of sugar necessitated establishment of marketing quotas in 1954, and farm allotments for each sugar factory district were specified in 1955. Montana's acreage generally has declined since the war, since the base years on which allotments were established were the five years of lowest acreage since the early 1930's. However, yields have steadily improved, and beets now provide the highest per-acre cash income of any irrigated farm product.

By-products of the refining process—beet tops, wet and dry pulp and beet molasses—are a valuable source of livestock feed to Montana ranchers. The state's largest feeding operations are in the Billings and Sidney areas tributary to the sugar factories. Studies by economists have shown that the value of tops alone, when fed to steers and lambs, can be as high as \$100 per acre to farmers who feed their own cattle (which, when combined with the \$184 average value of beets per acre in 1957, makes a profitable farming operation.) Feeding operations are a growing potential for Montana's economy, and beets play an important part. (see INDUSTRIAL HORIZONS, March, 1958).



(Northern Pacific Photo)

Sugar Beets moving to the Great Western factory at Billings for refining. About half the state's beet acreage is in the Billings factory district which was established in 1906.

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As America's population grows, sugar consumption will also increase. Local industrial development groups should watch trends in the sugar industry, for they represent potentials for economic expansion in many areas of the state.

## 12 GUIDES TO ZONING FOR INDUSTRY

Many Montana communities are beginning to revise their zoning ordinances.

It is important to consider wise zoning for industrial lands. The National Industrial Zoning Committee has formulated the following basic principles for industrial zoning:

- 1. Most communities require a certain amount of industrial development to produce a sound economy.
- 2. Zoning controls are basic tools in the reservation of space for industry, guidance of industrial location into a desirable pattern, and provision of related facilities and areas needed for convenient and balanced economy.
- 3. Industrial use is a legitimate land use possessing integrity comparable to other classes of land use established under zoning and is entitled protection against encroachment.
- 4. Through proper zoning, industrial and residential areas can be good neighbors.
- 5. Industry will continue to grow and most industries will require larger areas in the future.
- 6. There is need for reclassification of industry based on modern manufacturing processes and the prevailing policy of plant construction so as to determine the desirability or lack of desirability for inclusion in a given area.
- 7. Industrial potentialities of lands bearing a favorable relationship to transportation should be recognized in the zoning process.
- 8. Industrial zoning and highway planning should go hand in hand.
- 9. Special consideration should be given to the street layout in industrial areas.
- 10. Zoning ordinances should be permissive rather than prohibitive.
- 11. A good zoning ordinance should be sufficiently definite to convey to a landowner a clear concept of what he can do with his land.
- 12. Industrial zoning can be most effective when considered on a metropolitan basis.

Further information on industrial zoning available either from the State Planning Board or NIZC, 820 Huntington Bank Building, 17 South High Street, Columbus 15, Ohio.

Plans have been completed for the 10th Annual Montana Conservation Caravan, sponsored by the Montana Conservation Council. This year's tour, June 22-28, will study resource management problems, especially on timber lands, in the Blackfoot Valley, Seeley Lake, Ovando and Swan Valley areas. Reservations may be made with Miss Lillian Hornick, Box 175, Missoula. This Caravan is one of the major events of the year in educating Montana citizens to their conservation responsibilities.

# STATE'S POPULATION INCREASES TO 678,000; 14.7% GAIN SINCE 1950

Montana's population on July 1, 1957, was 678,000, according to official estimates by the State Board of Health.

This is an increase of about 87,000 from the population of 591,024 enumerated in the 1950 Federal Census. The increase of 14.7 per cent in a little over seven years is about 2.0 per cent per year. This is slightly higher than the rate of growth for the United States, which is about 1.7 per cent per year.

The bulk of this increase is accounted for by natural increase (excess of births over deaths), according to the Board. Between April, 1950, and July, 1957, there were approximately 122,000 births and 44,000 deaths to residents of Montana, for a natural increase of 78,000. This accounts for about 90 per cent of the population increase. The remaining 10 per cent is attributed to an excess of in-migrants over out-migrants. The net gain through migration for the seven-year period is approximately 9,000.

## Estimating Methods

The Board's estimate for Montana as a whole was prepared by averaging the results obtained by three different methods of estimating population: 1. Censal ratio method (proportion of school census to total population); 2. Birth rate method; 3. Death rate method. County estimates were made by apportioning the estimate for the state to the 56 counties on the basis of school census population in 1950 and 1957.

Of the 56 counties, 24 have lost population since 1950. These are all either primarily agricultural counties, or are areas hard hit by decline in railroad and coal mining activity.

**ON THE OTHER HAND, OVER 90% OF THE STATE'S GROWTH OCCURRED IN THE 10 MOST POPULOUS COUNTIES. IN FACT, 67.9% OF THE GROWTH OCCURRED IN THE FOUR MOST POPULOUS COUNTIES — YELLOWSTONE, CASCADE, SILVER BOW, AND MISSOULA.**

## FIRST PART OF MASTER PLAN DONE BY LOCAL PEOPLE

Land use studies are perhaps the most basic planning information, the first step in preparing a master plan. And land use studies may be prepared by local persons, at a minimum cost.

Knowledge of how the community is using its land is the starting point for community planning. An inventory of all parcels of land and the uses to which each is being put, and of the use, character, condition, height, size and occu-

pancy of all buildings and structures and their yard spaces, is basic information which is indispensable in the preparation of a master plan.

A land use survey consists essentially of charting each lot in town by residential, commercial, industrial, public and vacant uses. Field workers color a lot map according to different categories: single-family housing, two-family housing, multiple-family housing, etc. This information is transferred to a central base map of the community.

## A Use of Land Use Studies

One of the most useful analyses which can be developed from this map is a tabulation of the total amounts of land used for various purposes. This tabulation will reveal, for example, the amount of unused but usable land available within the city—an important consideration in shaping policies of annexation, subdivision control and utility extensions. Such a tabulation is the basis for establishing zoning districts of correct size and shape.

Thus, it may be seen that answers to the question, "How is the community using its land at present?" are indispensable for an approximate answer to the question, "What will be the community's land requirements for housing, stores and factories in the future?"

Two Montana communities are conducting land use studies with the help of local citizens and a minimum of technical supervision.

## Miles City

In Miles City, Chamber of Commerce Manager Clark Jorgenson spearheaded a land use survey by local high school students. The Chamber brought in Ron Thompson, city planner from Billings and Butte, to talk on the general subject of city planning and what it can do for Miles City. Thompson outlined categories of land uses to be surveyed, and Jorgenson mobilized four high school students to canvass the entire city. Miles City now has the first step in its master plan completed, and is ready to proceed to more technical phases.

## Missoula

Missoula City-County Planning Board President, Vernon Peterson, has followed somewhat the same procedure, also utilizing the advice of Thompson. Missoula's land use survey was conducted by 170 high school seniors who were members of a Contemporary Studies course at Missoula High School, and by 40 mem-

## BRIEFS . . .

The Defense Department is investigating several Montana locations as potential sites for a missile-launching base, according to Sen. Mike Mansfield's office. The base would be similar to the one recently announced for Cheyenne, Wyoming. At the same time, both Malmstrom Airbase at Great Falls and the Glasgow Airbase are being expanded. Malmstrom is the fueling station for all Strategic Air Command operations in this part of the country. Glasgow is being readied to house large bombers. In addition, radar alert stations, part of the continental defense system, have been constructed at various points across the state, including Lewistown, Miles City, Opheim, Havre, Yaak, Kalispell, Cut Bank and Ashland.

Pursuant to provisions of the state's water pollution law, the Montana Water Pollution Council will hold a public hearing in the Billings City Hall, June 10, at 10 a.m., to consider and adopt standards of water purity and quality and classifications for the Yellowstone River and its tributaries in Montana. Copies of the proposed standards and classifications may be obtained from the State Board of Health in Helena. The Council is authorized by law "to formulate the standards of water purity and classification of water according to the most beneficial uses of such water; in formulating such standards and classifications consideration shall be given to the economics of waste treatment and prevention." All persons interested in problems of industrial waste disposal on the Yellowstone should attend the hearing.

**Barite Deposits in Montana** is the title of a new 30-page booklet of the Montana Bureau of Mines and Geology at Montana School of Mines, Butte. Included are sections on uses and potentials of the mineral, and a description of all known deposits in Montana. Most of Montana's production comes from the Greenough mine of Baroid Sales Division, National Lead Co., and is shipped East for use in rotary-drilling mud and by sugar refiners.

bers of the League of Women Voters. The groups were divided into teams of four persons, and each team was responsible for marking on a map the exact use to which each lot was put in a 40-acre tract. According to Peterson, "we saved \$4,000 by doing this work ourselves. All it takes is a little initiative. In addition, the more citizens involved in preparing the master plan, the more effective it will be."

Further information on these procedures is available from the State Planning Board.

## MONTANA STATE PLANNING BOARD

Sam Mitchell Building

Helena, Montana

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